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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

LOK SABHA

The following Bill was introduced in Lok Sabha on 12th May, 1994:—

BILL No. 50 OF 1994

A Bill to provide in the public interest for the acquisition and transfer of the power transmission system of the Neyveli Lignite Corporation Limited and the right, title and interest of the company in the power transmission system to the Power Grid Corporation of India Limited, with a view to developing the National Power Grid to ensure transmission of Power, within and across the different regions of India, on a more scientific, effecient and economic basis and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Forty-fifth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title, extent and commencement

1. (1) This Act may be called the Neyveli Lignite Corporation Limited (Acquisition and Transfer of Power Transmission System) Act, 1994.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) The provisions of sections 8 to 11 and sections 13 to 16 shall come into force at once and the remaining provisions of this Act shall be deemed to have come into force on the 1st day of April, 1992 and any reference

to the commencement of this Act in any provision of this Act, shall be construed as a reference to the commencement of that provision.

Definitions

2. In this Act, unless the context otherwise requires,—

(*a*) appointed day" means the 1st day of April, 1992;

(*b*) "associated personnel" means the employees of the company associated with its power transmission system;

(*c*) "company" means the Neyveli Lignite Corporation Limited, a company incorporated and registered under the Companies Act, 1956 having its registered office at Neyveli-607801, South Arcot District Tamil Nadu; 1 of 1956.

(*d*) "Corporation" means the Power Grid Corporation of India Limited, being a company within the meaning of the Companies Act, 1956 and having its registered office at Hemkunt Chambers, 89, Nehru Place, New Delhi-110019; 1 of 1956.

(*e*) "notification" means a notification published in the Official Gazette;

(*f*) "power transmission system", in relation to the Company, means the main transmission lines [including extra high voltage alternative current (EHAVC) lines and high voltage direct current (HVDC) lines] and sub-stations owned by the company;

(*g*) "prescribed" means prescribed by rules made under this Act;

(*h*) words and expressions used herein and not defined but defined in the Electricity (Supply) Act, 1948 or, as the case may be the Companies Act, 1956 shall have the meanings, respectively assigned to them in those Acts. 54 of 1948. 1 of 1956.

CHAPTER II

ACQUISITION AND TRANSFER OF POWER TRANSMISSION SYSTEM

Acquisition of rights of company in relation to the power transmission system.

3. (*1*) On the appointed day, the power transmission system and the right, title and interest of the Company in relation to this Power transmission system shall, by virtue of this Act, be deemed to have been transferred to, and vested in, the Central Government.

(*2*) The power transmission system vested in the Central Government by virtue of sub-section (*1*) shall, immediately after it had so vested be deemed to have been transferred to and vested in, the Corporation.

General effect of vesting.

4. (*1*) The power transmission system shall be deemed to include all assets, rights, leaseholds, powers, authorities and privileges and all property, movable and immovable, relating to such system including lands, buildings, workshops, projects (whether complete or at any stage of completion of planning), stores, spares instrument: machinery and equipment, ocnstruction equipment, unutilised long-term and short-term loans and all other rights and interests in, or arising out of such property as were, immediately before the appointed day, in the ownership, possession, power or control of the company and all books of account, registers and

all other documents of whatever nature relating thereto but shall be deemed not to include—

(*a*) book debts due to the company, immediately before the appointed day;

(*b*) cash balance and bank balances as on the appointed day;

(c) income and expenditure on revenue account relating to any period before the appointed day.

Explanation.—For the removal of doubts, it is hereby declared that rights in relation to the power transmission system of the company which have been transferred to, and vested in, the Corporation under sub-section (*2*) of section 3 and this sub-section shall include the right to collect transmission charges for transmission of power and any monies collected on or after the appointed day by the company as transmission charges (whether shown separately or not) shall be payable by the company to the Corporation.

(*2*) Unless otherwise expressly provided by this Act, all deeds, bonds, guarantees (other than guarantees given by the Government of India), agreements, powers of attorney, grants of legal representation and other instruments of whatever nature in relation to the power transmission system of the company, subsisting or having effect immediately before the appointed day, and to which the company is a party or which are in favour of the said company, shall be of full force and effect against or in favour of the Corporation and may be enforced or acted upon as fully and effectually as if in the place of the company, the Corporation had been a party thereto or as if they had been issued in favour of the Corporation.

(*3*) If, on the date of commencement of this Act, any suit, appeal or other proceeding of whatever nature, in relation to any property or assets which have been transferred to, and vested in, the Corporation under sub-section (*2*) of section 3 instituted or preferred by or against the company was pending, the same shall not abate, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the power transmission system of the company or of anything contained in this Act, but the suit, appeal or other proceeding may be continued, prosecuted or enforced, subject to the provisions of sub-section (*1*) of section 5, by or against the Corporation.

Corporation to be liable for certain prior liabilities.

5. (*1*) Subject to the provisions of sub-section (*2*), every liability of the company in relation to its power transmission system, in respect of any period prior to the appointed day, which has been transferred to, and vested in, the Corporation under sub-section (*2*) of section 3, shall be the liability of the Corporation and shall be enforceable against the Corporation and not against the company.

Provided that nothing contained in this sub-section shall apply to—

(*a*) the income and expenditure on revenue account relating to any period before the appointed day and received or, as the case may be, incurred by the company on or after the appointed day;

(*b*) arrears of depreciation, regarding contingent liabilities on capital accounts relating to any period before the appointed day, arising on account of the decision of any court, tribunal or other Authority.

(*2*) Where any repayment of a loan or interest, or both, has been made, on or after the appointed day, by the company in any lending agency, such repayment shall be deemed to have been made by the Corporation and the amount of such repayment shall be reimbursed by the Corporation to the company on adjustment of transmission charges or any other amount due to the Corporation from the company.

Corporation to be lessee or tenant

6. (*1*) Where any property is held by the company in relation to its power transmission system under any lease or right of tenancy, the Corporation shall, on and from the appointed day, be deemed to have become the lessee or tenant, as the case may be, in respect of such property as if the lease or tenancy in relation to such property had been granted to the Corporation and thereupon all the rights under such lease or tenancy shall be deemed to have been transferred to, and vested in the Corporation.

(*2*) On the expiry of the term of any lease or tenancy referred to in sub-section (*1*), such lease or tenancy shall, if so, desired by the Corporation, be renewed on the same terms and conditions on which the lease or tenancy was held by the company immediately before the appointed day.

Removal of doubts.

7. (*1*) For the removal of doubts, it is hereby declared that the provisions of sections 3, 4, 5 and 6 shall apply to the extent to which any property appertains to the business relating to the power transmission system carried on by the company and to the rights and powers acquired and to debts, liabilities and obligations incurred, and to contracts, agreements and other instruments made by the company and to legal proceedings relating to those matters pending in any court, tribunal or other authority in India.

(*2*) If any question arises as to whether any property appertained, on the appointed day, to any business of the company in relation to its power transmission system, or whether any rights, powers, debts, liabilities or obligations were acquired or incurred or any contract, agreement or other instrument was made by the company for the purposes of its said business, or whether any document relates to those purposes, the question shall be referred to the Central Government which shall, after giving a reasonable opportunity of being heard to the persons interested in the matter, decide it in such manner as it may think fit.

Payment of amount.

8. (*1*) **For the transfer to, and vesting in, the Central Government under sections 3 and 4 of the power transmission system and the right title and interest of the company in relation to its power transmission system there shall be paid, in the prescribed manner, by the Central Government to the company such amount as is equal to the book value of all the assets and properties after deduction of liabilities (other than contingent liabilities) given in the audited statement of accounts of the company as on the 31st day of March 1992.**

(2) For the transfer to, and vesting in, the Corporation under sub-section (2) of section 3 of the power transmission system and the right, title and interest of the company in relation to its power transmission system, there shall be paid, in the prescribed manner, by the Corporation to the Central Government, the amount which is paid by that Government of the company under sub-section (1).

(3) In case of any dispute relating to the nature of any asset, property or liability or the amount payable under sub-section (1), the dispute shall be referred by the Central Government to such authority as it may appoint and the decision of that authority in the matter shall be final.

CHAPTER III

DELIVERY OF ASSETS, ETC., TO THE CORPORATION

Duty of persons to account for assets etc., in their possession.

9. (1) Any person who has, on the date of commencement of this Act, in his possession or under his control, any assets, books and any other document relating to the power transmission system which has been transferred to, and vested in, the Corporation under sub section (2) of section 3, shall be liable to account for the said assets, books and documents to the Corporation and shall deliver them up to the Corporation or to such person or persons as the Corporation may specify in this behalf.

(2) The Corporation may take or cause to be taken all necessary steps for securing possession of the power transmission system which has been transferred to, and vested in, the Corporation under this Act.

(3) The company shall, within such period as the Corporation may allow in this behalf, furnish to the Corporation a complete inventory of all its property and assets as on the appointed day pertained to its power transmission system which has been transferred to, and vested in the Corporation under sub-section (2) of section 3.

CHAPTER IV

PROVISIONS RELATING TO ASSOCIATED PERSONNEL

Continuance of associated personnel.

10. (1) On the vesting of the power transmission system of the company in the Corporation, the associated personnel who have been, immediately on or before the 1st day of December, 1992, employed in the company and have not already become employees of the Corporation shall become, on and from the date of commencement of this Act, employees of the Corporation and shall hold office or service under the Corporation on the terms and conditions which are not in any way less favourable than those which would have been admissible to them if there had been no such vesting and shall continue to do so unless and untill their employment under the Corporation is duly terminated or until their remuneration and other conditions of service are duly altered by the Corporation.

(2) Notwithstanding anything contained in the Industrial Disputes Act, 1947, or any other law for the time being in force, the transfer of

14 of 1947.

the services of the associated personnel to the Corporation, shall not entitle such personnel to any compensation under this Act or any other law for the time being in force and no such claim shall be entertained by any court, tribunal or other authority.

Provident fund and other funds.

11. (*1*) Where the company has established a provident fund or any other fund for the benefit of the persons employed by it, the monies relatable to the associated personnel who have already become employees of the Corporation or whose services have become transferred under this Act to the Corporation shall, out of the monies standing, on the date. of transfer of the associated personnel, to the credit of such provident fund or other fund, stand transferred to, and vest in the Corporation

(*2*) The monies which stand transferred under sub-section (*1*) to the Corporation shall be dealt with by the Corporation in such manner as may be prescribed.

CHAPTER V

MISCELLANEOUS

Act to have over-riding effect.

12. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law, other than this Act, or in any decree or order of any court, tribunal or other authority.

Penalties.

13. Any person who,—

(*a*) having in his possession, custody or control any property forming part of the power transmission system of the company wrongfully withholds such property from the Corporation; or

(*b*) wrongfully obtain possession of, or retains, any property forming part of the power transmission system of the company; or

(*c*) wilfully withholds or fails to furnish to the Corporation or any person or body of persons specified by the Corporation, any document or inventory relating to the power transmission system of the company, which may be in his possession, custody or control; or

(*d*) fails to deliver to the Corporation or any person or body of persons specified by that Corporation, any assets, books of account, registers or other documents in his possession, custody or control relating to the power transmission system of the company.

shall be punishable with imprisonment for a term which may extend to two years and also with fine which may extend to ten thousand rupees.

Offences by companies.

14 (*1*) Where an offence punishable under this Act has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge and that he had exercised all due diligence to prevent the commission of such offence.

(*2*) Notwithstanding anything contained in sub-section (*1*), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(*a*) "company" means any body corporate and includes a firm or other association of individuals; and

(*b*) "director", in relation to a firm means a partner in the firm.

Protection of action taken in good faith.

15. No suit, prosecution or other legal proceeding shall lie against the Central Government or the Corporation or the company or any officer of that Government, Corporation or company or any other person authorised by that Government, Corporation or company for anything which is in good faith done or intended to be done under this Act.

Power to make rules.

16. (*1*) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(*a*) the manner in which the amount is to be paid under sub-section (*1*) or sub-section (*2*) of section 8;

(*b*) the manner in which the monies in any provident fund or other fund, referred to in sub-section (*2*) of section 11, shall be dealt with;

(*c*) any other matter which is required to be or may be, prescribed.

(*3*) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

STATEMENT OF OBJECTS AND REASONS

The unevenly distributed energy sources in the country, the multiplicity of authorities for generating power and planning, constructing, operating and maintaining transmission lines and sub-stations and the multiple ownership of the regional power grid system were posing enormous operational and commercial problems in actual operation of the regional power grids. The Government of India took a policy decision in 1981 to form a National Power Grid along with load despatch and communication facilities to ensure transmission of power, within and across different regions of India, on a more scientific, efficient and economic basis.

2. The Power Grid Corporation of India Limited (formerly known as National Power Transmission Corporation Limited) was, therefore, set up by the Government of India in October, 1989 to undertake the programme of development of an integrated power system net-work, coordinating an integrated operation of regional grids system and work towards the establishment of a National Power Grid, Pursuant thereto, the National Thermal Power Corporation Limited, the National Hydroelectric Power Corporation Limited and the North-Eastern Electric Power Corporation Limited (Acquisition and Transfer of Power Transmission Systems) Act, 1993 was passed by Parliament to provide for acquisition and transfer of the power transmission systems of the three companies and the right, title and interest of those companies to the Power Grid Corporation of India to ensure transmission of power, within and across the different regions of India, on a more scientific, efficient and economic basis and for matters connected therewith or incidental thereto. It was further decided to transfer *inter alia*, the power transmission system of Neyveli Lignite Corporation Limited to the newly formed Corporation. Accordingly, the management of the said power transmission system of the Neyveli Lignite Corporation Limited was taken over by Power Grid Corporation of India Limited (POWERGRID) with effect from 1st December, 1992 with the decision that the deemed date of dejure transfer shall be 1st April, 1992. Personnel associated with the power transmission system of Neyveli Lignite Corporation Limited were transferred to POWERGRID on permanent absorption basis with effect from 1st December, 1992.

3. The delay in transfer of the ownership of the assets relating to the said power transmission system of the Neyveli Lignite Corporation Limited to the POWERGRID has, however, restricted its resource mobilisation efforts both through internal cash generation as well as by going to the market for commercial borrowings. As the legal formalities involved in transferring the ownership of the aforesaid Neyveli Lignite Corporation Limited in relation to its power transmission system will be time-consuming, and it is necessary in the public interest that the said ownership should be vested in the POWERGRID immediately with a view to develop and operate an integrated transmission network by establishing a National Power Grid, it is proposed to acquire the right, title and interest of the aforesaid Neyveli Lignite Corporation Limited in relation to its assets pertaining to its power transmission system and vest it in the POWERGRID with effect from 1st

April, 1992. The said acquisition of assets and its transfer will be on the basis of the bookvalue of all the assets and properties after deduction of liabilities (other than contingent liabilities) given in the audited statement of accounts of Neyveli Lignite Corporation Limited as on 31st March, 1992.

4. The Bill seeks to achieve the above objects.

N. K. P. SALVE

NEW DELHI;
The 2nd May, 1994.

FINANCIAL MEMORANDUM

Sub-clause (1) of clause 3 of the Bill seeks to provide that the power transmission system and the right, title and interest of the Neyveli Lignite Corporation Limited, in relation to its power transmission system shall be deemed to have been transferred to, and vested in, the Central Government with effect from 1st April, 1992. Sub-clause (2) of that clause further provides that the power transmission system vested in the Central Government by virtue of sub-clause (1) shall, immediately after it had so vested, be deemed to have been transferred to, and vested in, the Power Grid Corporation of India.

2. Sub-clause (1) of clause 8 of the Bill seeks to provide that the Central Government shall pay as compensation, in the prescribed manner, to the said company such amount as is equal to the book value of the assets and properties, after deduction of liabilities (other than contingent liabilities) given in the audited statement of acounts of the said company as on 31st March, 1992. The said amount of compensation is for the acquisition by the Central Government of the power transmission systems and the right, title and interest of the said company in relation thereto. Sub-clause (2) of clause 8 further provides that the amount of compensation so paid by the Central Government shall be ultimately paid to it by the Power Grid Corporation of India Limited to whom the power transmission system so acquired by the Central Government is transferred under sub-clause (2) of clause 3. Since the transfer of the power transmission system from the said company to the Central Government and ultimately to the Power Grid Corporation of India Limited will be on the basis of the corresponding equity, loans and grants utilised for the construction of the assets, no expenditure from the Consolidated Fund of India is involved.

3. No other expenditure of recurring or non-recurring nature is involved.

MEMORANDUM REGARDING DELEGATION LEGISLATION

Clause 16 of the Bill empowers the Central Government to make rules for carrying out the provisions of the Bill. Such rules may, among other things, provide for any of the following matters, namely:—

(a) the manner in which the amount is to be paid under sub-clause (1) or sub-clause (2) of clause 8;

(b) the manner in which the monies in any provident fund or other fund, referred to in sub-clause (2) of clause 11, shall be dealt with.

2. The matters in respect of which rules may be made are matters of procedure and detail and it is not possible to incorporate the same in the Bill. The delegation of legislative power is, therefore, of a normal character.

C. K. JAIN,
Secretary-General.

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